



J-6 Information Operations

**Defense Logistics Management
Standards Office (DLMSO)**

**Supporting the Warfighter
Today and the
Future Logistics Enterprise of
Tomorrow**

**Brief for
Joint Physical Inventory
Working Group**

Feb 5, 2004



Business Rules and Standards

Purpose/Mission - Business Process Interoperability:

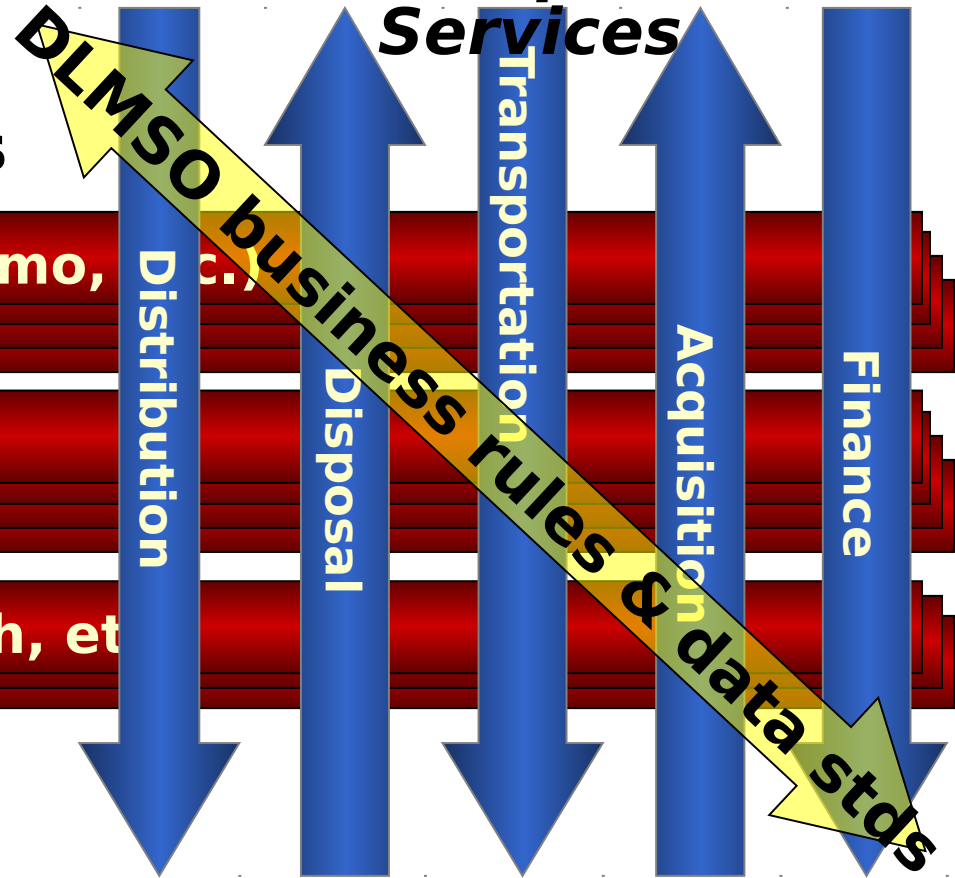
- **Facilitate enterprise integration and continuous process improvements to logistics management and operations by:**
 - **Developing business rules and implementation of DoD policy**
 - **Developing and managing the DoD logistics information exchange infrastructure**
 - **Publishing detailed procedures that identify who does what, when, and how along the DoD supply**





Business Rules and Standards

Enterprise Services



Business Process Chains

Commodities (Fuels, Ammo, etc.)

Weapon Systems

Others (Personnel, Health, etc.)

24 x 7

Challenge: To Connect these Chains & Enterprise Services on a DoD-wide Basis



Business Rules and Stand

- **Business Process:** An assemblage of

business rules that

Hierarchical Architecture of DoD Business In

collectively form a process -- *Physical*

Inventory Management

- **Business rule:** States what must or must not be done

If an NSN had activity today, report ending balance to ICP

- **Business Object:** A collection of data in a specified format

that launches a business process or reports process results

An order, inventory adjustment, request for payment, etc.



Business Rules and Standards

DLMSO has the responsibility for managing the development and approval process for the logistics

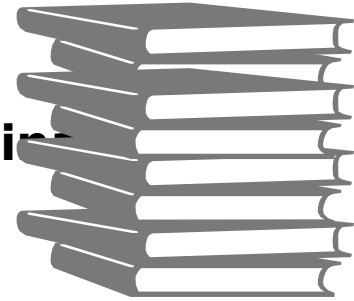
- **business process rules,**
- **business objects/ information exchanges, and**
(within the business process scope of the DoD 4000.25 series of manuals)
- **metadata** (within the Logistics Community of Interest (COI)).



Business Rules and Standards

Key DoD oversight policy:

- Wynne 22 Dec. 2003, Memo, Migrate to DLMS, Eliminate MILS
- DoDD 8190.1, DoD Logistics Use of EDI Standards:
 - Assigns DLMSO as DoD Executive Agent for logistics data interchange
 - Establishes ANSI ASC X12 as DoD standard for logistics system interchanges:
 - All new systems
 - Major modifications to existing systems
- DoDD 4140.1 Materiel Management Policy
 - Authorizes publication of DoD business rules and standards
- DoD 4140.1-R Materiel Management Regulation
 - “Loaded” with DLMSO policy, procedure, and guidance



Business rules and standard operational development and implementation are well grounded in DoD policy

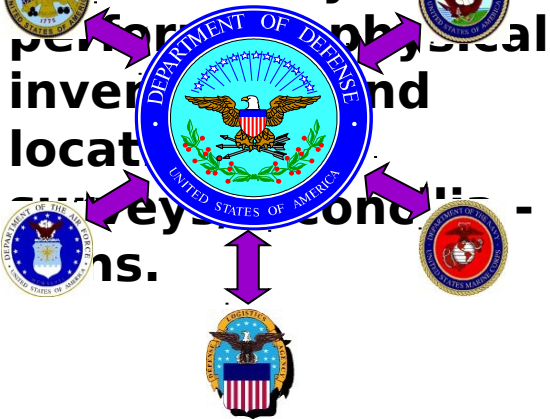
—Prescribes logistics management policy,



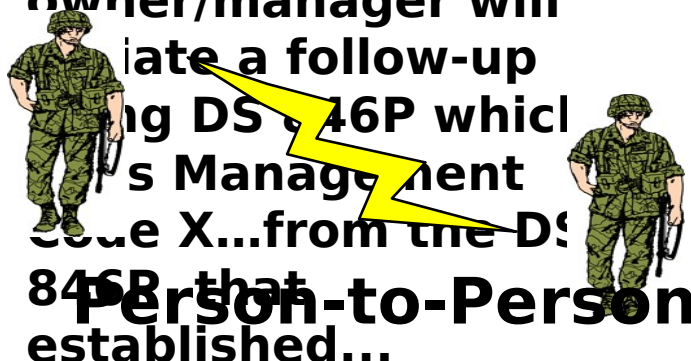
Business Rules and Standards

DoD Policy → Business Rules → Standards

**DoD 4140.1-R...
Ensure accurate
property...records
for the physical
inventory are
maintained in
support of
customers
requirements and
business by**



**DoD 4000.25-M, Vol 2
(28 pages of detailed
business rules that
support DoD policy)...
C6.3.8.1 Requested
Inventory. When the
owner/manager has
requested an
unscheduled
inventory...the
owner/manager will**



**initiate a follow-up
using DS 846P which
is Management
Code X...from the DS
846P that
Person-to-Person
established...**

DS 846P Supplement to Federal E. 846P Physical Inventory Request

846 Inventory Inquiry/Advice

Functional Group: IB

This Data Standard for Trial Use contains the format and code values for the data elements of the Inventory Inquiry/Advice Transaction Set (846) items within the context of an Electronic Data Interchange (EDI) environment. The transaction set can be used in the following ways: (1) to be a bill of goods and services to provide inventory information to a prospective purchaser, with an obligation to the purchaser to accept these goods and services; (2) for a representative of a holder of goods and services to supply inventory information to that holder; (3) for one location to supply another location with inventory information; and (4) for an inquiry as to the availability of inventory with no obligation on the seller of goods and services to reserve that inventory.

Notes:

2.000 The REF flag controls serial number, lot number, and inventory date.

3.000 Number of lots items (CTTY4) is the accumulation of number of LSN segments. Maxed, both total (CTTY0) to the sum of the values of the quantities (CTTY3) of each QTY segment.

Federal Note:

1. Generate and manage your own transaction set to request, reserve, advise, and cancel a release of inventory by a distribution agent or shipping activity. Customers and managers may also use their transaction set to provide a data reduction agent of shipping activity with an inventory activity and manager report for use with shipping activity. Physical inventory activities, customers and managers may use their transaction set to request information from a distribution agent.

2. One use occurrence of this transaction set to transmit a single or multiple transactions.

3. Data Element values shall refer to the Defense Logistics Management System (DLMS) Standard in the Federal Implementation Convention (FIC) available at <http://ftp://ftp.dau.mil>. The DLMS Implementation Convention provides business rules, coding and other information necessary for implementation of a system within the DLMS.

DLMS Note:

1. Distribution activity/manager activities use this transaction set to cancel another transaction set if physical inventory request by an owner/manager. Distribution activity/manager activities also use this transaction set to request for a request for information history and to request advice a request for a physical inventory.

2. One single occurrence of this transaction set to exchange information between a single owner/manager and a single or multiple data reduction activity/manager, or between a single distribution activity/manager activity and a single or multiple owner/manager.

3. Items operating under the Defense Logistics Management System (DLMS) must reference the Data Element and Purchase Data Convention (DPC) and the accompanying Implementation Appendix which can be found in the Defense Logistics Management Standard (DLMS) Standard at <http://ftp://ftp.dau.mil>.

4. This DLMS Implementation Convention:

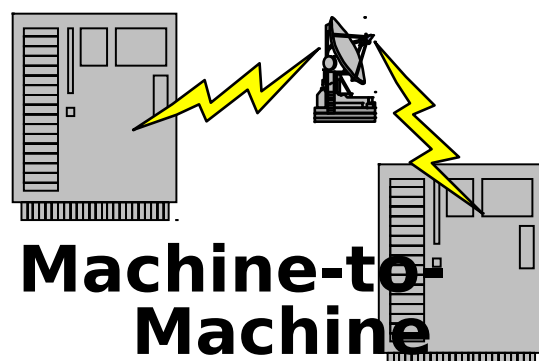
a. Data associated with a DLMS implementation which is used for or supported by the recipient's automated processing system (DLMS) processing may not have been structured. Components must coordinate representation and interpretation with DLMS prior to use.

b. Data associated with an Approved Change which may not have an established implementation date. This data may not be received or understood by the recipient's automated processing system. Components must coordinate representation with DLMS prior to use.

c. Defense Logistics Standard Number (DLSN) data which is used for reference in the DLMS for a transaction period to support transaction completion in a system DLMS/DLMS environment. This data will be structured out since all DLMS implementations in structured Components may coordinate with DLMS for any information for a reference of specific data requirements for items operating in a full DLMS environment.

d. Data elements which have an extended life are allowed until DLMS compliance which may not be supported by the recipient's automated processing system. Components must coordinate representation with DLMS prior to use.

DS846P Supplement 1 March 20, 2004



Machine-to-Machine

integration glue...defines who does what, to whom, when, and



Business Rules and Stand

What are the DLSS/MILS Transactions?

- **DoD unique EDI standard developed 40 years ago**
- **Fixed length (80 positions) transactions (over 500 types)**
- **Each transaction contains fixed length data fields**
- **Technically obsolete**
- **Serious constraint to business**



Business Rules and Stand

What are the **DLMS Transactions**?

- **Commercial EDI standard based transactions**
 - **ANSI ASC X12 implementation conventions**
 - **W3C compliant XML schemas**
- **57 X12 ICs and XML schemas support all MILS functionality**
- **Variable length transactions and data fields**

RECEIVE, VALIDATE, EDIT, ROUTE and TRANSMIT

The DAASC customer base is extremely diverse, and supports not only the DoD, but also the State, Justice, Transportation, and Commercial

Customers

DoD

- Departments of:
 - Army
 - Navy
 - Air Force
 - Marine Corps
- USTRANSCOM
 - AMC
 - MSC
 - MSDDC
- Defense Agencies
- Intelligence
- DoD Dependent Schools
- NATO
- FMS Countries

Civilian

- Departments of:
 - State
 - Justice
 - Transportation
- NASA
- GSA
- FAA
- VA
- FEMA
- USPS
- GAO
- CG

2003 TRANSACTION VOLUMES:

DLSS/MILS - 3,996,700,337
DLMS - 214,101,637

Suppliers

275,000
Activities
WORLDWIDE

DAAS

DAAS Transactions:

- DLSS/MILS
- DLMS

Defense
Logistics
Agency

Military
Services

General
Services
Admin.

Commercial
Suppliers

DAAS is a pillar of interoperability



Business Rules and Stand

Key Aspects of Wynne Memo:

- Only the dates are new, basic policy has been in place since Dec. 1998
- Unique Item Identification (UID) was forcing function - UID prerequisites
 - Items must be marked with UID
 - *Need mechanism to move UID information among supply chain business systems*
 - Need UID usage business rules
- Key Policy/Dates:
 - 1 January 2004, No new or developing systems shall use MILS transactions
 - 31 December 2004, MILS transactions shall no longer be exchanged
 - 1 January 2005, Use only DLMS ASC X12 or equivalent XML schemas

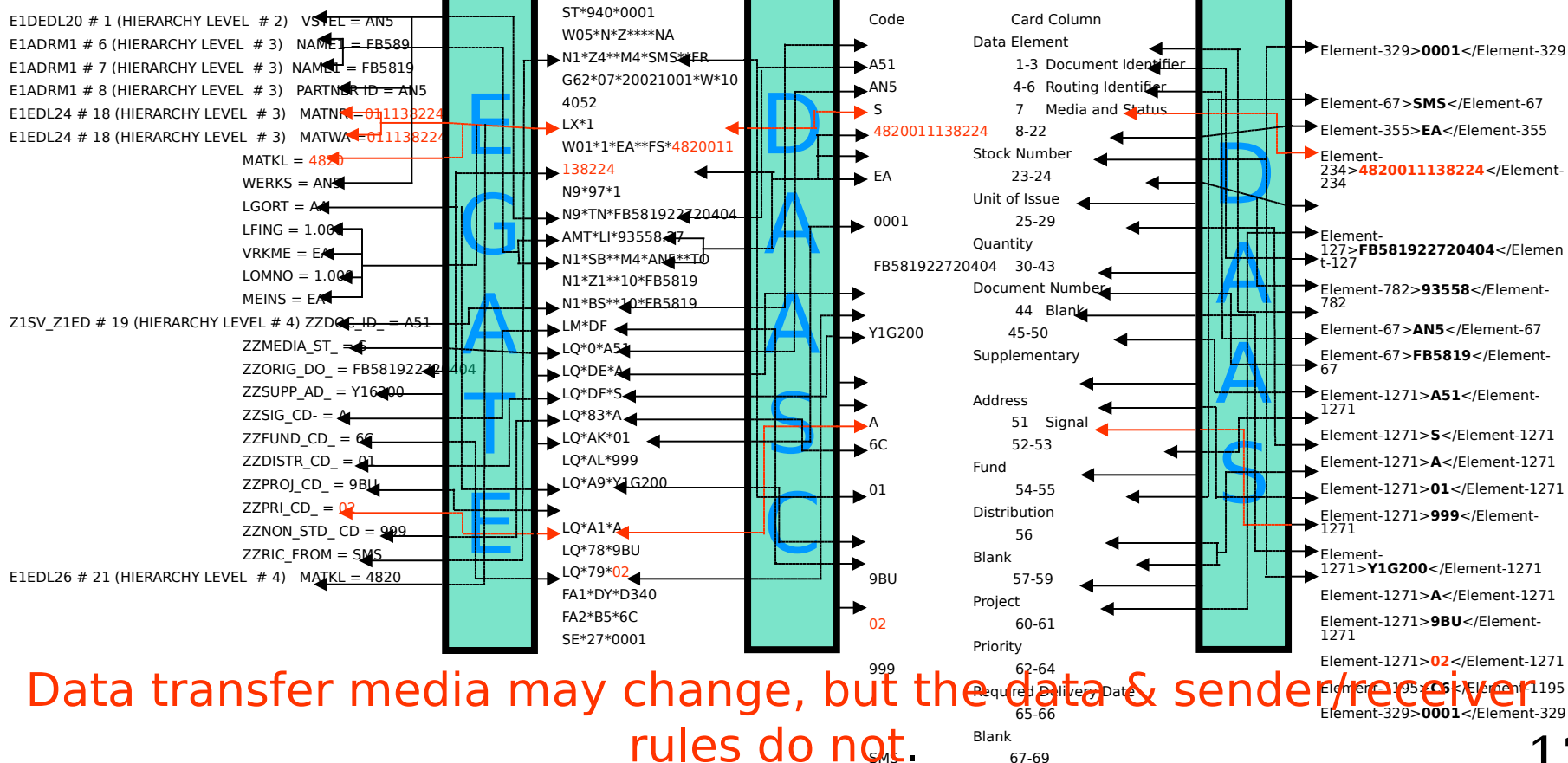
• Key Deliverables/Dates



Business Rules and

WHAT'S DIFFERENT? WHAT'S THE SAME

Supply Chain Transaction Flow Same Information Different Transport Standards

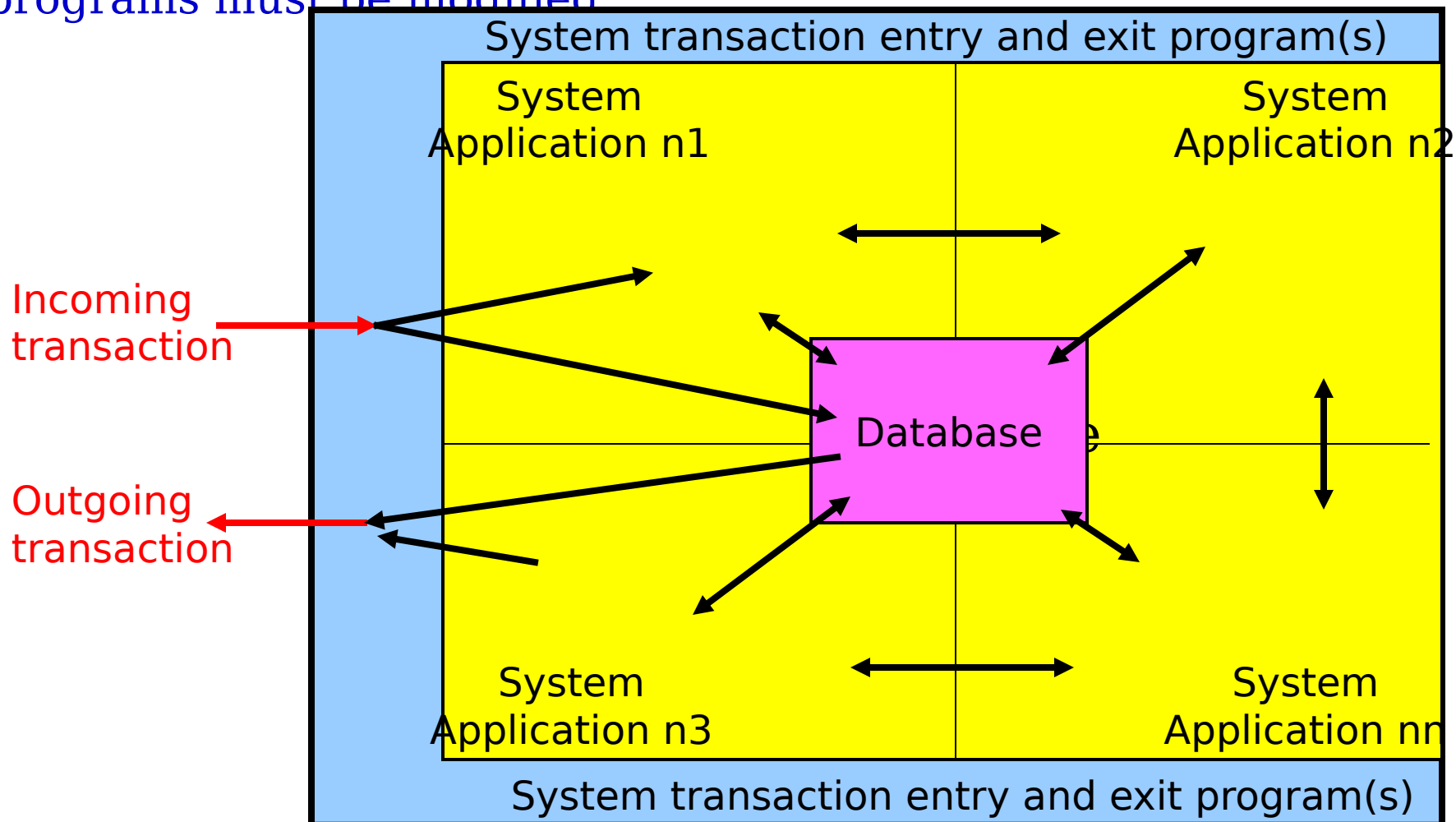


Data transfer media may change, but the data & sender/receiver rules do not.



Business Rules and

IMPACT ON TYPICAL SYSTEM - No Change to Database, applications logic, internal system messages; only the entry exit programs must be modified





Business Rules and Stand

- **Wynne Memo:**
 - **Reaffirms policy established in December 1998**
 - **Requires all systems that previously used the MILS to use DLMS**
 - **New systems must be designed to DLMS beginning 1 Jan 04**
 - **Legacy systems must be modified accept, process and produce only DLMS vice MILS transactions beginning 1 Jan 05**
- **Some systems are successfully using DLMS today (not mission impossible)**
 - **DLA's implementation of the SAP ERP uses the DLMS ASC X12**



UID/UIT can be used to enhance DOD business processes by providing supply chain managers the ability to:

- Establish an initial acquisition cost and to assign subsequent valuations due to

improvements or loss of functionality.

Unique Item Identification and Tracking (UID)

- Associate all costs incurred as a result of owning the particular item - maintenance, modification, storage, demilitarization, etc.
- Uniquely identify the configuration of a particular item throughout its lifecycle.
- Identify all maintenance actions that have been performed on a particular item and/or scheduling by item.
- Identify when UID marked items are included in a particular higher level UID marked assembly/item.
- Identify a particular item requiring maintenance due to usage or passage of time.
- **Identify particular problem items (downtime and/or cost to maintain) and single them out for removal from the supply chain or to prioritize them for an engineering upgrade.**
- Ensure that, when required, customers get the exact item back when repairs are performed in DOD or DOD contractor facilities.
- Locate a particular item, whether in use, in storage or in transit for expedited processing, diversion, etc.
- Randomly select items by UID for inspection and/or testing, such as